



Bloomington-Normal Public Transit System

2023 – 2024 Budget



Normal, Illinois

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MESSAGE FROM THE GENERAL MANAGER

The Bloomington-Normal Public Transit System (DBA Connect Transit) has prepared this FY 2024 Annual Budget document as a means to communicate our plans and financial requirements to the public and the Connect Transit Board of Trustees (Board). The adoption of the annual budget is one of the single most important actions taken by the Board each year. Connect Transit considers key issues in determining how to use its limited resources to provide essential public transportation to the citizens and guests of Bloomington and Normal, Illinois during the 2024 fiscal year.

Services To Be Delivered

- Connect Transit provides public transit services to the City of Bloomington, Illinois and the Town of Normal, Illinois city limits.
- In FY 2024, Connect Transit will continue to provide essential transportation services needed to support the area workforce, student population, seniors, and people with disabilities to foster a stronger economy. In FY 2019, prior to the COVID-19 pandemic that first affected ridership in mid-March 2020, Connect Transit transported over 2.5 million passengers. Ridership has increased approximately 19% year to date when comparing FY 2023 over FY 2022 through May 2023. In FY 2024, Connect Transit estimates approximately 2.2 million trips, covering 2.1 million miles within a 46-mile region, operating and maintaining 44 fixed route buses, 22 ADA compliant demand response buses, and five microtransit vans, and employing 170 staff members.

FY 2024 Budget Initiatives and Priorities

- The Budget is designed as a balanced budget for operating expenses, and a decrease in fund balance for capital projects.
- Increase fare revenue through expanded universal access agreements, Medicaid billing, and advertising sales.
- Build ridership on the new microtransit service to help provide mobility options to residents living outside of our regularly scheduled fixed route service catchment area.
- Develop revenue estimates for service contracts, state and federal grant funding, and other local governmental contributions.
- Incorporate new positions identified as a priority by Management into the budget for consideration by the Board.
- Strategically pursue capital grants to assist funding capital projects and purchases. Only capital projects included in the Transportation Improvement Plan (TIP) are included in the budget.
- Provide efficient and effective transit service.
- Continue to explore stable local funding options.

Continuing Budget Issues

- Connect Transit has increased passenger fare revenue projections slightly for the FY 2024 Annual Budget over FY 2023 due to the addition of a new service and continued growth in existing services. We have seen a slight increase in fare revenue in FY 2023 over FY 2022 and anticipate a slight increase in FY 2024.

- Medicaid billing - Connect Transit continues to be a Non-Emergency Medical Transportation (NEMT) provider. This allows us to recoup costs through Medicaid on approved passenger trips and provide a free fare to the rider. Connect Transit has seen growth in revenues over the past few years and expects a small increase in revenue in FY 2024.
- Connect Transit is in the service industry, and wages and benefits will always be a large portion of our expenses. Labor cost continues to increase due to added services, annual wage increases, and increases in Connect Mobility hours due to demand.
- Diesel fuel prices are known to be volatile. For FY 2024, management will continue to utilize fixed price diesel fuel contracts for a majority of its fuel needs to manage this price volatility. The estimated fuel price reflects a flat price variance per gallon for fuel.
- Health care costs continue to increase, Connect Transit's renewal rates reflect an 11.5% increase in health insurance premiums due to an increase in rates and an increase in the number of employees.
- In 2020, Connect Transit benefited from the CARES Act grant funds with an apportionment of \$9.1 million. In 2021, Connect Transit benefited from ARP Act grant funds with an apportionment of \$6.8 million. These federal stimulus and relief programs are intended to support the continuance of Connect Transit's essential transit services throughout the COVID-19 pandemic and help offset additional costs and revenue shortfalls. Connect Transit will continue to use ARPA and CARES federal funding appropriation on operating expenses in FY 2024 to help offset operating expenses and revenue shortfalls.

New Budget Issues – Long Term Financial Plans

- The COVID-19 global pandemic has disrupted consumer behaviors and supply chains, which has resulted in inflationary pressures and an increase in costs for materials, and goods. The addition of manufacturing businesses in Connect Transit's service area has made it difficult to maintain a full-time workforce. The national shortage of bus drivers and workers has further increased the ongoing challenges affecting Connect Transit with respect to hiring. These factors are anticipated to impact Connect Transit's FY 2024 budget.
- Connect Transit will continue to leverage the State of Illinois Downstate Operating Assistance Program (DOAP) to complete capital projects such as bus stop improvements, facility improvement projects, radio system equipment, service vehicles, and mid-life overhaul of buses. This will require Connect Transit to pledge local capital funding reserves to receive a line of credit. This will allow Connect Transit to leverage 65% percent of the capital cost of certain capital projects through DOAP and reduce the amount of federal and local capital dollars that need to be used.

David Braun
General Manager

Connect Transit Strategic Plan

Connect Transit Description

Connect Transit is the Bloomington-Normal Public Transit System, formed in 1972 to provide transportation services within the City of Bloomington and Town of Normal, Illinois. It is governed by a seven member Board of Trustees who are appointed by the City and Town and staffed by approximately 170 dedicated employees.

Vision

Our Vision inspires us, and sets the trajectory for our bold, clear, and compelling future.

Connect Transit is a robust system of undeniable social, economic, and environmental value to its stakeholders and the community.

Mission Statement

The expression of mission, or purpose, is Connect Transit's fundamental reason for being, and that for which all commitments and resources are in service.

Connect Transit provides safe, reliable transportation and access to opportunity to strengthen and enrich individual lives, our community, the economy and the environment.

Core Values

These core values guide our conduct and behavior and apply to everyone without exception.

At Connect Transit, we are

- Respectful of all persons and perspectives
- Customer and safety focused
- Dedicated to public service
- Accountable stewards of public resources
- Trusting and trustworthy
- Open-minded and eager to learn
- Positive in attitude
- Focused on the good of the whole

High-Level Goals

These five Goals establish the Strategic Plan framework. Each one pertains to a distinct component of Connect Transit's effectiveness and accountability. Achievement of these Goals facilitates attainment of our Vision. No prioritization is implied by the order in which they are listed.

1. Sustainable, High-Performing System	Define, design and fund a sustainable transit system tailored to optimally serve the Bloomington-Normal community.
2. Quality Customer Experience	Provide reliable, easy to use transportation services and quality, user friendly amenities.
3. Operational Excellence	Exemplify sound governance, superior operations, a culture of safety, and a model workplace.
4. Undeniable Value	Become the mobility provider of choice and be valued as an essential public service.
5. Innovative Leadership	Facilitate our community's mobility evolution with innovation, future focus, and collaborative leadership.

Strategic Action Plan

The Action Plan describes strategies and actions to achieve each of the five High-Level Goals.

Goal 1: Sustainable, High-Performing System: Define, design and fund a sustainable transit system tailored to optimally serve the Bloomington-Normal community.

Strategy 1 – Defined Service: Establish the system’s balance of coverage, ridership, connectivity and frequency to attain the community’s transit objectives.

Action 1. Clearly establish community transit objectives and review them periodically.

Action 2. Discern and select Connect Transit’s sustainable service profile to achieve transit objectives.

Strategy 2 – System Design: Design and implement routes that efficiently attain transit objectives, balancing system performance with customer needs and preferences.

Action 1. Design or adjust proposed system routes to ensure alignment with and performance toward transit objectives.

Action 2. Utilize design principles that ensure system integrity and consistency.

Action 3. Implement route adjustments using widespread public information and customer training campaigns.

Action 4. Build and maintain transfer stations that facilitate connectivity and system performance.

Strategy 3 – Fleet: Ensure a reliable, quality fleet capable of meeting current service level needs, with an eye toward the community’s evolving mobility objectives.

Action 1. Upgrade the existing fleet and continue to procure needed, quality rolling stock.

Action 2. Keep the fleet in good repair, and responsibly manage transit assets.

Action 3. Embrace use of alternative fuels and emerging energy solutions.

Strategy 4 – Funding: Establish ample, accountable transit funding.

Action 1. Examine all existing revenue sources for stability and growth potential, and research new/alternative revenue streams for operations and capital.

Action 2. Evaluate and expand partners for universal access, such as government agencies, nonprofit agencies, and businesses.

Action 3. Explore fare restructuring.

Action 4. Grow advertising revenue.

Action 5. Explore increased local funding support with local governments.

Action 6. Research and pursue grant opportunities.

Action 7. Consider establishing a transit taxing district.

Goal 2: Quality Customer Experience: Provide reliable, easy to use transportation services and quality, user friendly amenities.

Strategy 1 – Infrastructure/Amenities: Implement amenities as a fundamental component of transit value and safety.

Action 1. Build a downtown transfer center.

Action 2. Adopt a bus stop/shelter design plan to be used as the Connect Transit standard.

Action 3. Install transit amenities, such as shelters and lighting, and ensure maintenance and cleanliness at transfer stations, hubs, and bus stops.

Action 4. Partner with the City and Town for sidewalks, shelters, and lighting at bus stops.

Action 5. Secure private sector sponsors or partners to fund bus stops/shelters.

Strategy 2 – Customer Service: Uphold a standard of customer courtesy and appreciation.

Action 1. Infuse every interaction with a customer service orientation.

Action 2. Provide ongoing employee education and increased instruction in customer relations.

Action 3. Enlist customer service champions to model kind, helpful conduct and behavior.

Action 4. Provide employee education on route planning and use of various planning aids.

Action 5. Conduct periodic customer surveys, interviews, or focus groups to obtain suggestions and feedback, as a measure of satisfaction.

Strategy 3 – Access/Social Relevancy: Provide a mobility option, independent of personal vehicle use, to link people, communities, commerce, services, employment and entertainment.

Action 1. Maintain a high level of on-time performance.

Action 2. Provide additional service and greater frequency as budgets permit.

Action 3. Remain sensitive to service affordability for all riders.

Action 4. Ensure all riders are aware of the freedom and flexibility afforded by the fixed route system.

Strategy 4 – Ease of Use: Produce intuitive information guides, signage, and communications.

Action 1. Enhance high and standard technology rider information sources, such as more ETA displays, Wi-Fi capability, smart phone app, social media and others for superior customer awareness.

Action 2. Provide customer education on the use of various route planning aids, including improved rider guides.

Goal 3: Operational Excellence: Exemplify sound governance, superior operations, a culture of safety and a model workplace.

Strategy 1 – Governance: Exhibit wise, effective governance through clarity of purpose and focused strategic alignment with Connect Transit’s Vision and Goals.

Action 1. Maintain momentum toward Vision achievement, report on Strategic Plan performance and schedule timely Strategic Plan updates.

Action 2. Make time for dialogue and discernment of complex policy choices.

Action 3. Utilize clear, fair decision making processes and anticipate dissent as a natural function of diverse perspective.

Action 4. Champion the agency’s Vision and Goals with stakeholders, and act in the interest of the community.

Strategy 2 – Superior Operations: Demonstrate transparency and accountability and utilize best practices toward achievement of comprehensive operational excellence.

Action 1. Formalize routine data analysis, reporting and metrics to monitor and evaluate system performance.

Action 2. Research and apply best practices to all facets of operations.

Action 3. Periodically review operational policies and practices.

Strategy 3 – Safety: Ensure a culture of safety.

Action 1. Integrate safety as the core component of all operations and every aspect of the agency.

Action 2. Demonstrate bus riding as one of the safest transportation options.

Action 3. Enhance safety communications both internally and externally.

Strategy 4 – Model Workplace: Rank among the region’s best employers.

Action 1. Develop and maintain camaraderie across all functions and levels of the organization.

Action 2. Recruit personnel that exhibit Connect Transit values and invest in employee development to ensure growth and productivity of the workforce.

Action 3. Use effective communication vehicles and approaches that enhance multidirectional information sharing.

Action 4. Possess a positive, can-do attitude.

Goal 4: Undeniable Value: Become the mobility provider of choice and be valued as an essential public service.

Strategy 1 – Community Engagement: Establish trust and rapport with stakeholders to understand needs and values, obtain advice and feedback, share information and advance transit objectives.

Action 1. Cultivate the Connect Transit Advisory Committee (CTAC) to be a key communication conduit with Connect Transit customers and stakeholders.

Action 2. Have a presence at community events to dialogue with individuals and make presentations to community groups.

Action 3. Utilize innovative engagement tools to connect with and cultivate specific target markets.

Strategy 2 – Partnership and Collaboration: Generate new potentials through symbiotic relationships with key collaborators.

Action 1. Captivate and inspire executives and legislators at every level of government with Connect Transit's vision and plan, outlining its contribution to our shared vision for a thriving region.

Action 2. Identify and engage current and potential partners and collaborators, such as education, library, airport and other transportation modes, City and Town, McLean County, businesses and nonprofit institutions and organizations, and co-design collaboration agreements that serve both parties.

Action 3. Identify private sector benefactors and public sector partners for amenities, universal access, and marketing collaboration.

Strategy 3 – Marketing and Communications: Feature Connect Transit as a community asset and an essential public service.

Action 1. Create a marketing and communications plan that amplifies the value of the transit system to the general public, and demonstrates its return on investment in social, economic, and environmental terms.

Action 2. Tell the new story of a connected community, pulsing with vitality and ease of movement for people of all ages and backgrounds.

Action 3. Portray the riding experience as enjoyable, smart, and for everyone.

Goal 5: Innovative Leadership: Facilitate our community's mobility evolution with innovation, future focus and collaborative leadership.

Strategy 1 – Future Focus: Become poised to integrate and give leadership to emerging transportation technologies.

Action 1. Serve as a model public agency in the community and a sought after expert in transportation solutions.

Action 2. Explore innovative approaches to service delivery.

Action 3. Position Connect Transit for the arrival and use of autonomous vehicles in our market and define our participation and leadership.

Strategy 2 – Economic Influence: Exercise Connect Transit's influence as an economic driver for the region.

Action 1. Feature the region's multimodal strength and the key role played by transit as an asset to business, students, and residents.

Action 2. Vividly portray the way transit benefits sales and commerce, transports our workforces, facilitates individuals' livelihoods, and can diversify the region's employer/employee base.

Action 3. Integrate the "transit asset" into the economic development conversation and equation at the municipal and county levels.

Strategy 3 – Regional Planning Influence: Elevate awareness and advance land use policy principles that optimize land resources, facilitate mobility, and steward the environment.

Action 1. Take an active role in the local and regional land use policy conversation.

Action 2. Emphasize the value of transit accessibility in land use development.

Action 3. Articulate and advocate for the benefits of transit oriented development (TOD) toward achievement of environmental and quality of life objectives.

Action 4. Heighten awareness about placement of land uses requiring high levels of service, the necessity of mobility options, and the value of sidewalks, shelters, and other amenities.

SIGNIFICANT OPERATING BUDGETARY ITEMS AND TRENDS

The adoption of the FY 2024 budget included several assumptions that are necessary due to the unpredictability of costs and organizational needs. All assumptions made in the Operating Budget are based on historical trends and future expectations.

In February 2020, the Connect Transit Board of Trustees voted to support the Connect to The Future Work Group recommendations including the one rate for all fare structure. The one rate for all fare structure implementation date was scheduled for July 1, 2020. However, fare collection was suspended between July 1, 2020 and June 1, 2021 because of the COVID-19 pandemic. Fares were also suspended at various times during FY 2022 also due to the COVID-19 pandemic. We anticipate not having to suspend fares during FY 2024. We plan to keep the fixed route fare and demand response fare at \$1.25 per ride. The 30-day pass for fixed route and demand response will remain at \$40.

To help pay for the decrease in Connect Mobility fares, and to help decrease the amount of the Federal Section 5307 Grant money used to subsidize operating expenses, Connect Transit asked the City of Bloomington and the Town of Normal to contribute an additional \$250,000.00 to cover operating expenses starting in FY 2021. In FY 2024, local share of operating will increase to an additional \$500,000.00 in total per year over the amount contributed in FY 2020.

Connect Transit applied to be a Non-Emergency Medical Transportation (NEMT) provider in November 2017. This allows Connect Transit to recoup costs through Medicaid on approved passenger trips and provide a free fare to the rider. In FY 2023, we are anticipating the revenue to increase slightly over FY 2022 levels as a result of increased State of Illinois reimbursement rates and are projecting a slight increase for FY 2024 revenues.

Connect Transit is anticipating higher labor costs in FY 2024. This is due to annual wage increases, the addition of microtransit service and increases in Connect Mobility hours due to the anticipated increase in demand for service after COVID-19.

Connect Transit has increased fare revenue expectations for the FY 2024 Annual Budget. As we continue to make our way out of the conditions brought on by COVID-19, we believe expenses will still be impacted due to labor shortages, supply chain issues, and inflationary cost increases.

BUDGET OVERVIEW

Bloomington Normal Public Transit System (DBA Connect Transit) is an intergovernmental agency established by the City of Bloomington (City) and the Town of Normal (Town) and governed by a Board appointed by both the City and the Town. Connect Transit operates as an enterprise fund, which accounts for operation in a manner similar to private business enterprises – where the intent of the governing body (the Board of Trustees) is that costs (expenses, including depreciation) of providing services to the general public on a continuing basis be financed or recovered primarily through user charges. The enterprise fund reports financial results in accordance with accounting principles generally accepted in the United States of America (GAAP) and Governmental Accounting Standards Board (GASB) guidance. The enterprise fund is the only fund that Connect Transit has.

Connect Transit’s Operating Fund is used to account for general operations and activities. It is Connect Transit’s intent that the costs of operations be financed through the farebox revenue, advertising revenue, general fund allocations from the City of Bloomington and Town of Normal, and state and federal grants. Most of the operational funding is used to pay employee salaries and benefits. Other operational funding goes to pay for things such as fuel, insurance, vehicle and facility maintenance, and utilities.

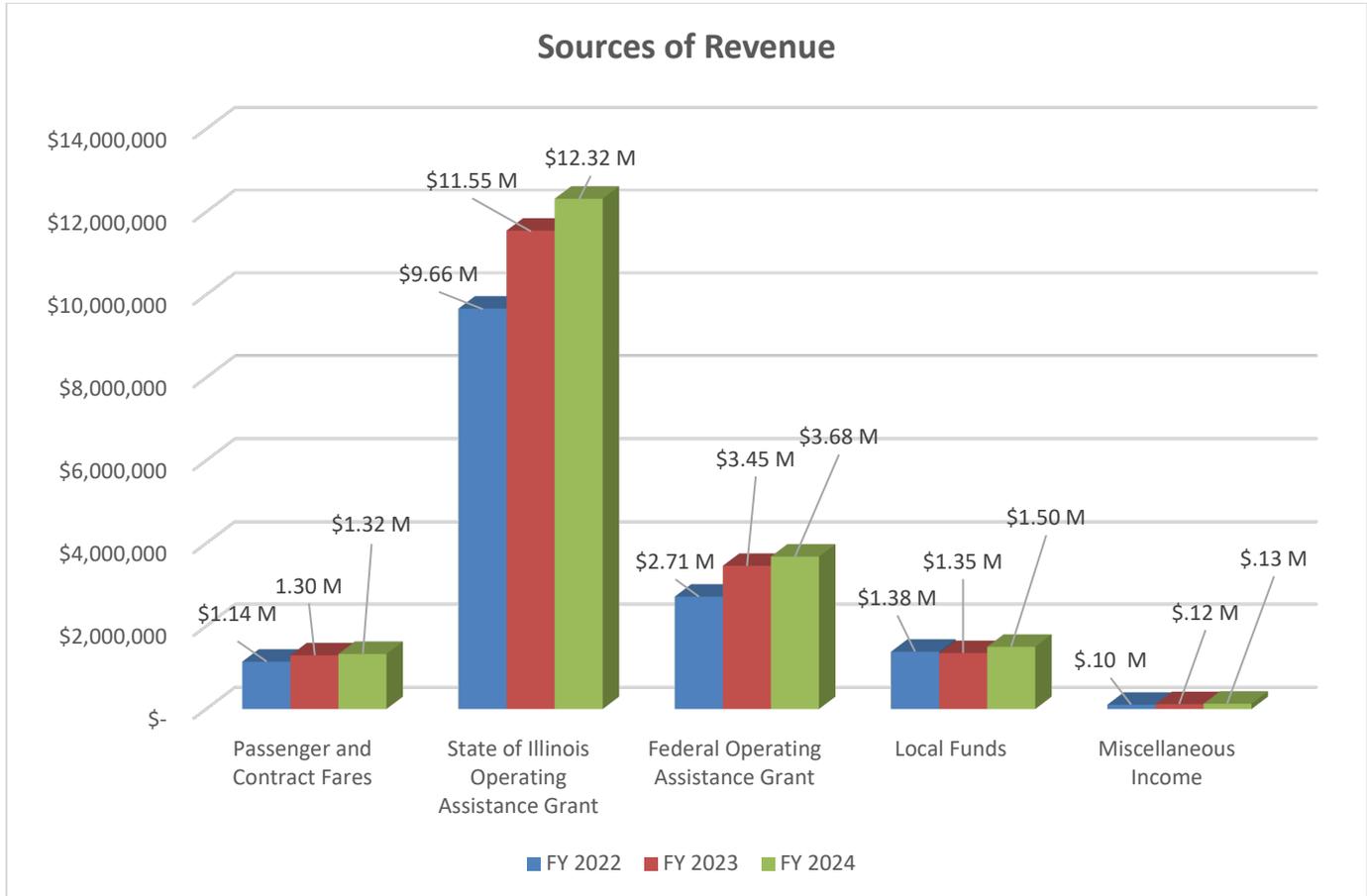
Connect Transit’s Capital Fund is used to finance capital projects and fixed asset purchases such as revenue vehicles, facility enhancements, technology upgrades, and more. Capital funds are collected from the City of Bloomington, the Town of Normal, the State of Illinois, and a variety of Federal Transit Administration grants, including an annual Section 5307 appropriation.

Presented below is a summary of major operating revenues and expenditures. The Capital Budget summary can be found in the Capital Budget section on page 23.

	FY 2022	FY 2023	FY 2024
	Actual	Budget	Budget
Revenue:			
Passenger and Contract Fares	\$735,987	\$1,295,178	\$1,327,048
Miscellaneous Income	94,976	117,000	126,300
Local	1,150,000	1,350,000	1,500,000
State of Illinois Operating Assistance Grant	8,395,205	11,546,014	12,315,385
Federal Operating Assistance Grant	2,403,644	3,454,907	3,678,014
Total Revenue	12,779,812	17,763,099	18,946,747
Expenses:			
Labor	7,567,217	10,213,052	10,719,013
Employee Benefits	2,297,044	3,146,840	3,399,292
Fuel and Lubricants	694,436	1,679,093	1,702,509
Bus Repair and Maintenance	763,568	855,963	1,037,578
Insurance	565,565	690,583	834,993
Professional Fees	378,620	304,000	223,500
Software Licenses and Supplies	149,428	277,213	436,362
Utilities	153,135	182,720	129,000
Miscellaneous	210,799	413,635	464,500
Total Expenses	\$ 12,779,812	\$ 17,763,099	\$ 18,946,747
Total Surplus/(Deficit) - Fund Balance	\$0	\$0	\$0

In FY 2024, Connect Transit expects to receive \$1.32 million in farebox, pass sales, and universal access revenue; \$12.32 million in funds from the State of Illinois; \$3.68 million from federal funds; \$1.50 million from local funds and \$.13 million from miscellaneous revenue. Figure 1.1 compares actual sources of revenue for FY 2022, and budgeted sources of revenue for FY 2023 and FY 2024.

Figure 1.1



Passenger and contract fares is projected to increase from \$1.14 million to \$1.30 million in FY 2022 to FY 2023. The projected increase in FY 2023 is due to the increase in ridership. In FY 2024, Connect Transit expects passenger and contract fares to increase by \$.02 million from the FY 2023 budgeted amount due to projected increase in ridership.

Revenue from the State of Illinois (Downstate Operating Assistance Program, which reimburses 65% of the total eligible expenses) is projected to increase from \$9.66 million to \$11.55 million to \$12.32 million in FY 2022, FY 2023, and FY 2024, respectively, and continues to be Connect Transit’s main source of revenue. This increase is due to the increase in expenses since Connect Transit is reimbursed for 65% of eligible expenses.

Federal revenue (Section 5307 Operating Grant, CARES Act Funding, and ARP Act Funding) for FY 2022 was \$2.71 million and is expected to increase to \$3.45 million in FY 2023. In FY 2024, Connect Transit expects federal revenue to increase by \$.23 million. The increases from FY 2022 to FY 2023 and FY 2023 to FY 2024 is due to the increase in operating expenses.

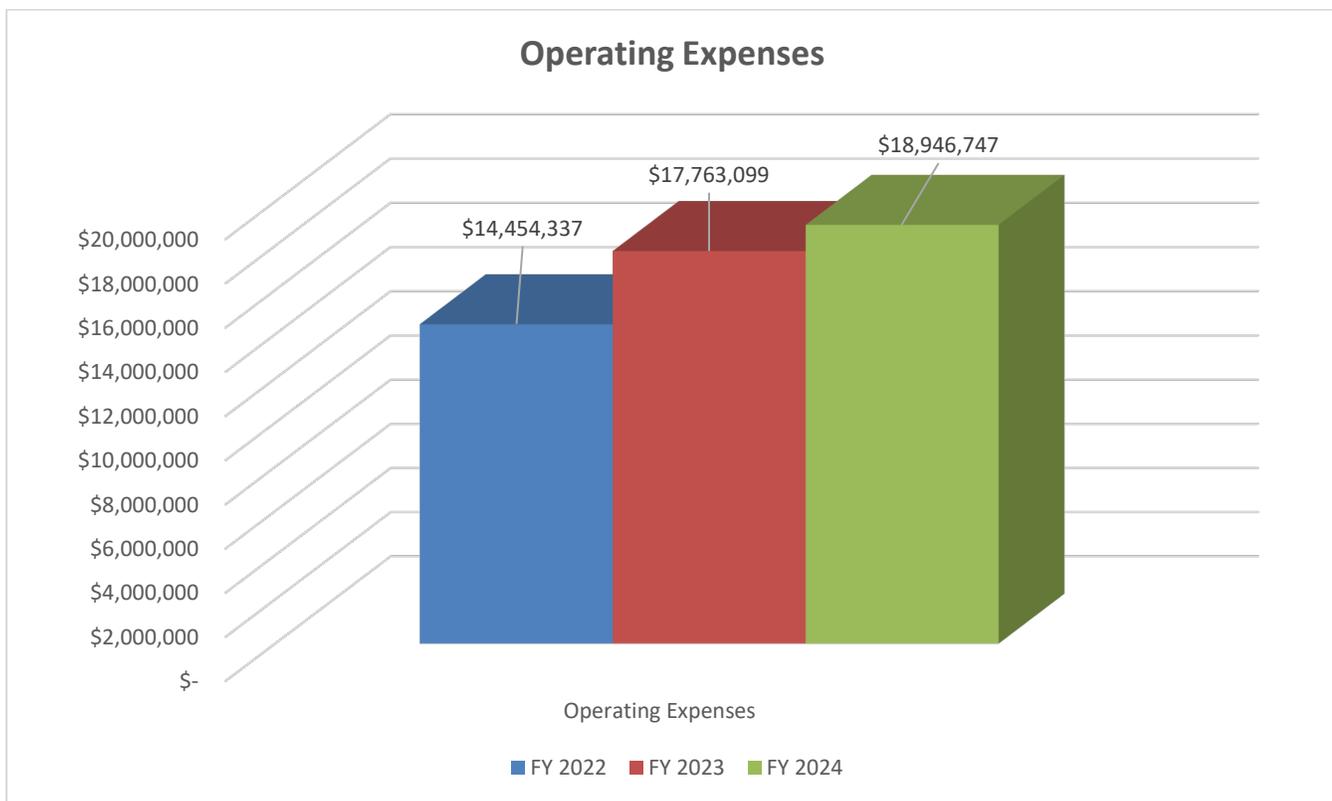
Local revenue (general fund allocations from the City of Bloomington and the Town of Normal) is projected to decrease from \$1.38 million to \$1.35 million in FY 2022 to FY 2023 due to the revenue the City of Bloomington and Town of Normal will provide. In FY 2024, Connect Transit expects local revenue to increase to \$1.50 million.

Miscellaneous revenue for FY 2022 was \$.10 million and is expected to increase to \$.12 million in FY 2023 and increase to \$.13 million in FY 2024.

USES OF REVENUE

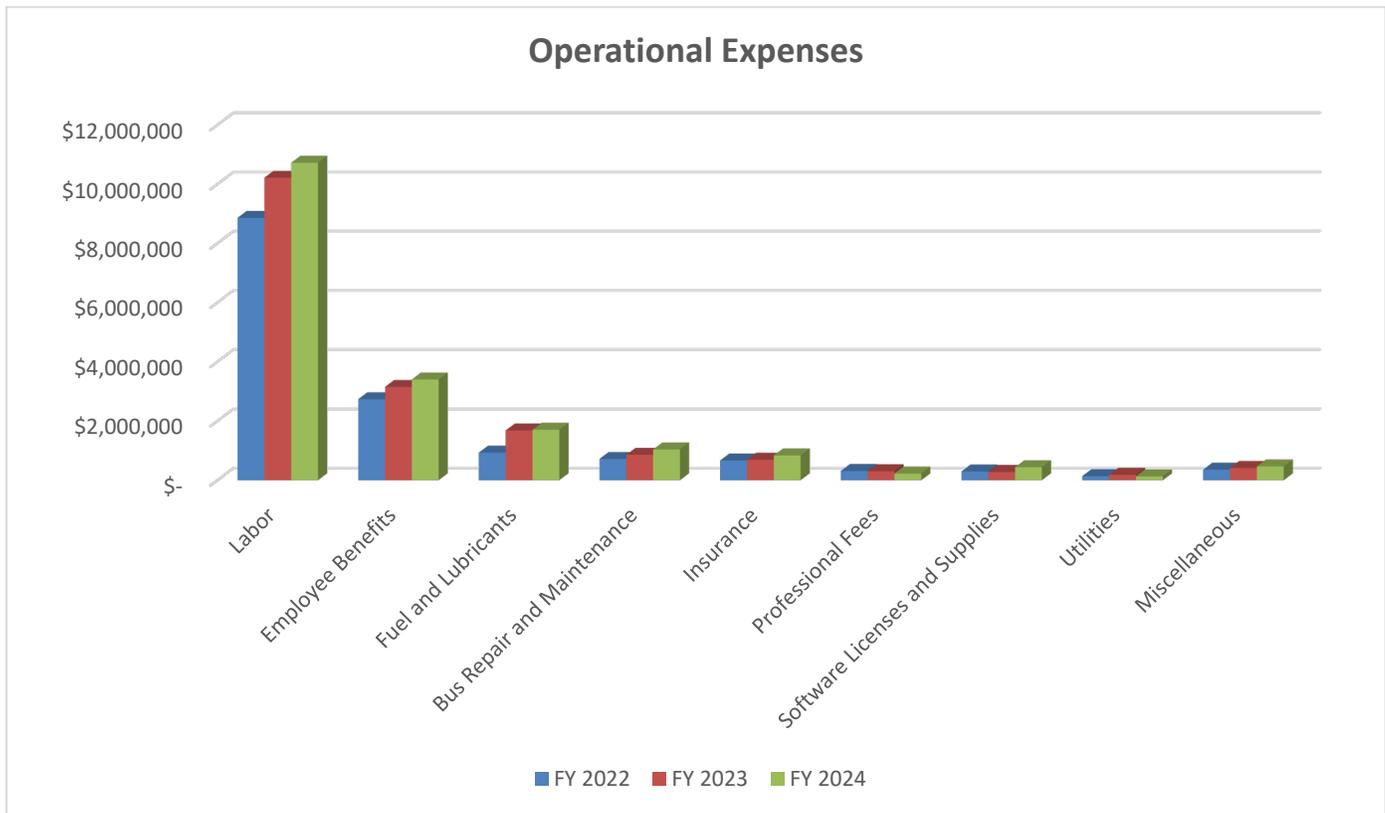
Connect Transit’s budgeted operating expenses for FY 2023 are \$17.76 million. Figure 1.2 illustrates actual operating expenses in FY 2021, and budgeted operating expenses in FY 2022 and FY 2023.

Figure 1.2



Connect Transit budgeted an increase of 6.66% in operational expenses from FY 2023 to FY 2024. Figure 1.3 illustrates the increase in operational expenses from FY 2022 to FY 2024.

Figure 1.3



Labor is Connect Transit’s primary expense, with wages increasing approximately 4.95% from FY 2023 to FY 2024. There is an anticipated increase in Operation’s Labor Expenses due to the new demand response microtransit service to help get riders into our fixed route network, and an anticipated increase in Connect Mobility hours from FY 2023 to FY 2024. All represented employees will receive an increase in wages, per the Collective Bargaining Agreement. Non-represented employees will receive an increase in wages based on performance.

Another significant expense category is Employee Benefits. In FY 2024, we are anticipating a projected 8.02% increase in employee benefits over FY 2023. This is due to an increase in employees and their related benefits.

We are projecting a 21.22% increase in Bus Repair and Maintenance from FY 2023 to FY 2024. This increase is due to the dramatic increase in the cost of bus parts, as well as an aging fleet.

We are projecting a 20.91% increase in Insurance from FY 2023 to FY 2024. This increase is due to an increase in workers compensation insurance, as well as an increase in automobile insurance due to the increase in value of electric buses over diesel buses.

Figure 1.4 illustrates the breakdown of expenditures in FY 2023. Figure 1.5 illustrates the breakdown of expenditures in FY 2024.

Figure 1.4

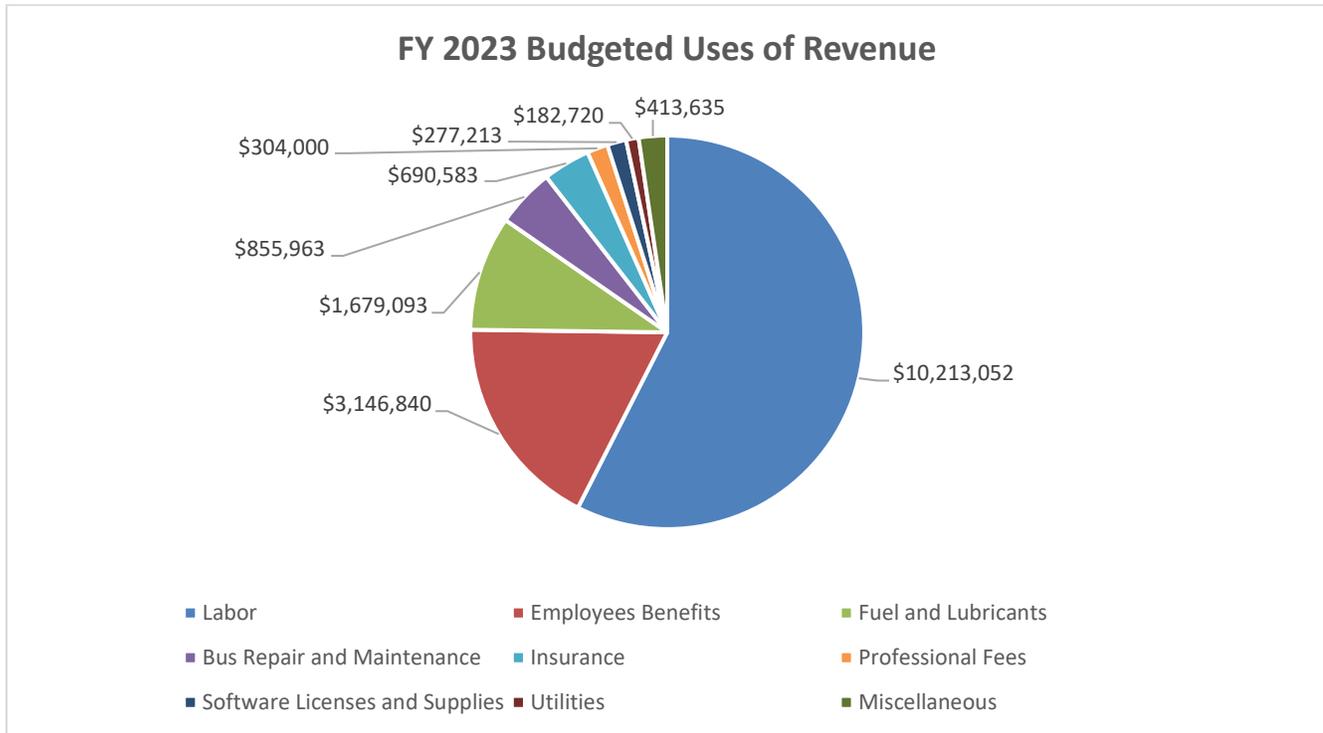
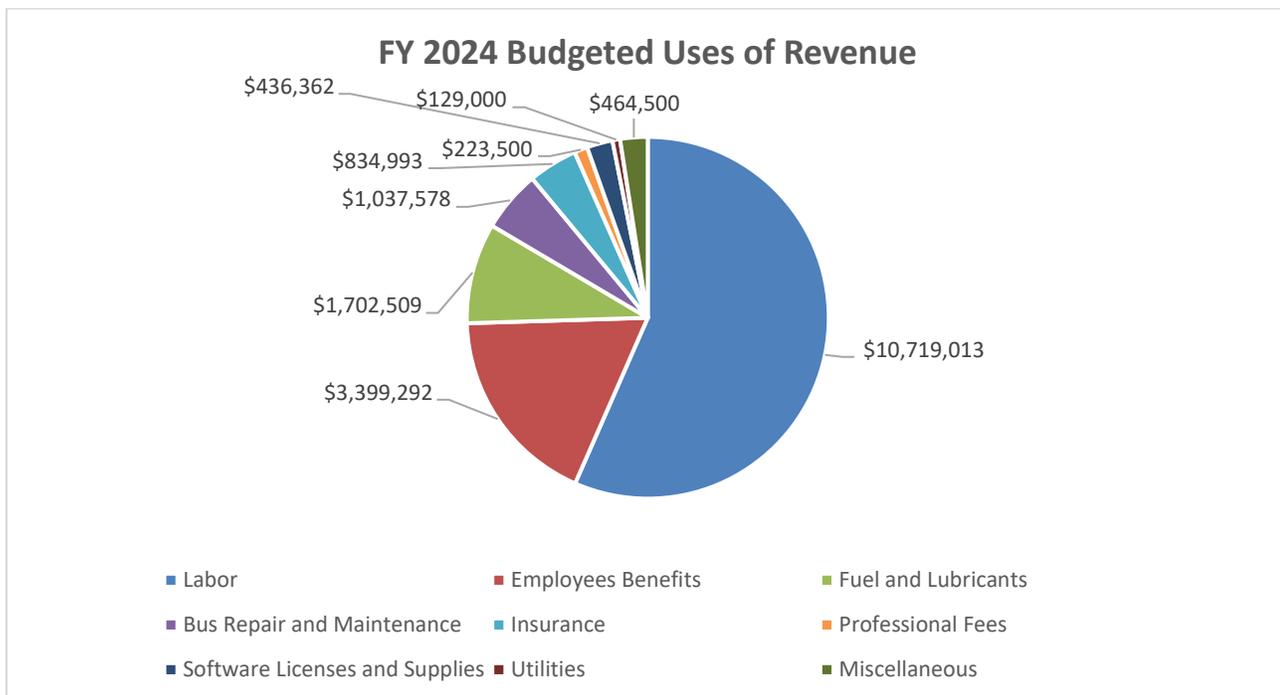
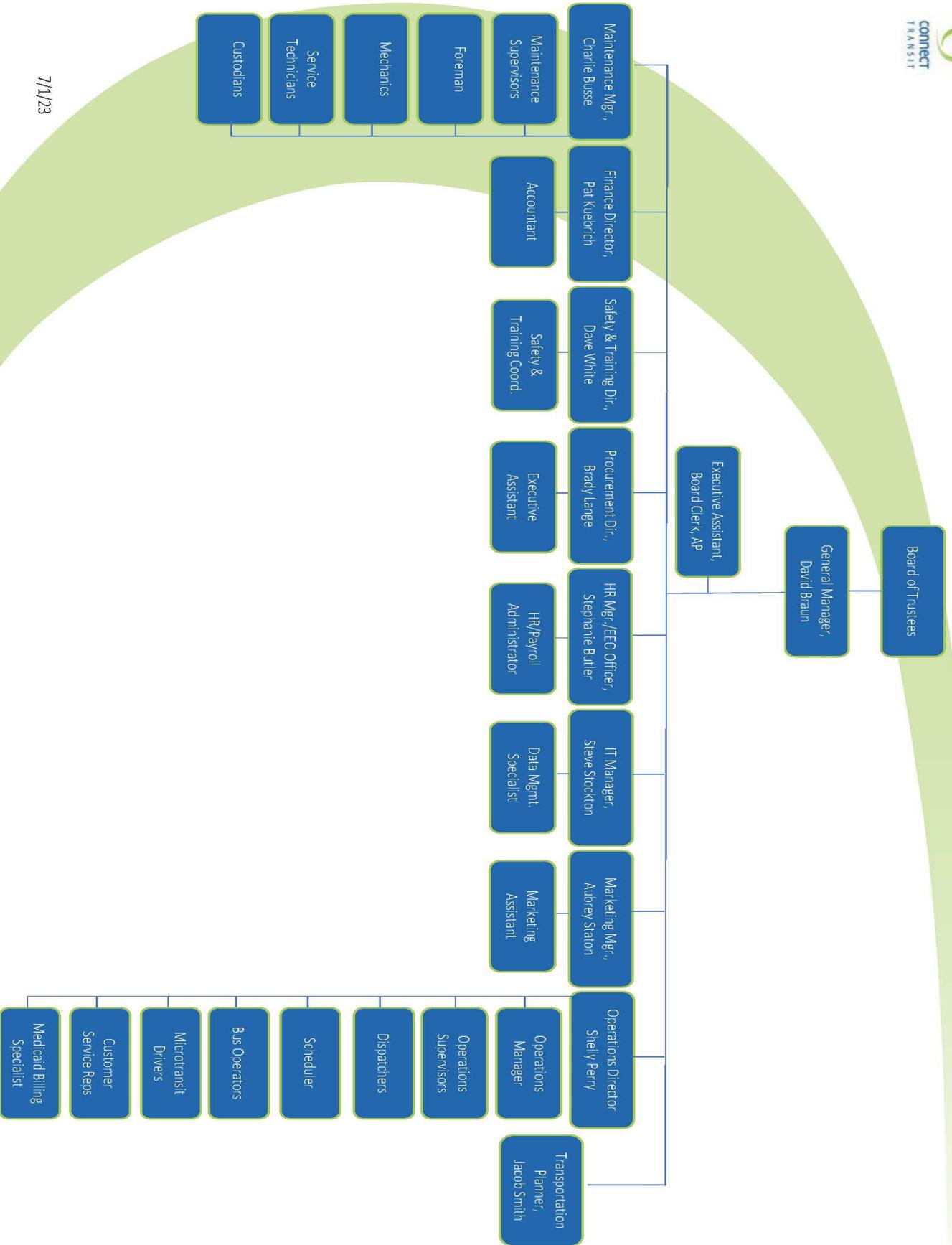


Figure 1.5





7/1/23

BASIS OF ACCOUNTING AND BUDGETING

The “basis of accounting” and “basis of budgeting” determine when revenues and expenditures are recognized for purposes of financial reporting and budget control. Connect Transit’s budget and financial statements are reported in accordance with generally accepted accounting principles on the accrual basis of accounting. The accrual basis of accounting recognizes revenue when it is earned and expenses when incurred. Connect Transit does not budget for depreciation expense.

FINANCIAL POLICIES

Financial policies establish goals and targets for Connect Transit’s financial operations so that the Board can monitor how well Connect Transit is performing. Formal financial policies provide for a consistent approach to fiscal strategies and set forth guidelines to measure financial performance and future budgetary programs.

The following pages contain policy frameworks in the following areas:

- (1) General Financial Goals
- (2) Operating Management
- (3) Operating Budget
- (4) Capital Budget and Planning
- (5) Accounting and Financial Reporting

General Financial Goals

- To ensure delivery of an adequate level of service by assuring reliance on ongoing resources and by maintaining an adequate financial base.
- To ensure that Connect Transit is in position to respond to changes in the economy or funding without an undue amount of financial stress.
- To adhere to the highest accounting and management policies as set by the Government Finance Officers’ Association, the Government Accounting Standards Board, and other professional standards for financial reporting and budgeting.

Operating Management Policies

- Long Range Planning – All departments share in the responsibility of meeting policy goals and ensuring long-term financial health. Future service plans and future capital purchases will be developed to reflect projected expenditures, projected resources, and future service requirements.
- Forecasts – Balanced revenue and expenditure forecasts will be prepared to examine Connect Transit’s ability to absorb operating costs due to changes in the economy, funding, and capital improvements.
- Cash and Investments – Cash and investment programs will be maintained in accordance with the current investment policy to ensure that proper controls and safeguards are maintained. Connect Transit funds will be managed in a prudent and diligent manner with an emphasis on safety of principal, liquidity, and financial return on principal in that order.

Operating Budget

- Budget Development – Budget development will use strategic fiscal planning, conservative revenue forecasts, and expenditure forecast. The process will include a diligent review of revenues and expenditures by management and the Board of Trustees.
- Balanced Budget – Current expenditures will be funded by current fare, advertising revenue, the City of Bloomington, the Town of Normal, the State of Illinois, and federal funds. Connect Transit’s budget is a balanced budget in that Connect Transit does not intend for a deficit or surplus. Connect Transit’s budgeted revenues and expenditures are equal.
- Fund Balance – Since Connect Transit receives federal funds, through reimbursement of eligible expenses, to cover any revenue shortfall not received from other operating revenue sources, there is no operating fund balance.

Capital Budget and Planning

- Capital Improvement Plan Development – A five-year Capital Improvement Plan (CIP) will be developed and updated annually, including anticipated funding sources. Capital improvement projects are defined as equipment, infrastructure purchases, or construction that results in a capitalized asset costing more than \$10,000.00 and having a useful (depreciable) life of one year or more. Connect Transit will incorporate future operating, maintenance and replacement costs associated with new capital improvements into the budget document.
- Fund Balance – All reserves that Connect Transit receives from the City of Bloomington and the Town of Normal are shown as a Capital fund balance. The Capital fund balance is shown on pages 23 and 25.

Accounting and Financial Reporting

- Accounting and Reporting Methods – Connect Transit’s accounting and financial reporting systems will be maintained in conformance with all state and federal laws, generally accepted accounting principles (GAAP), standards of the Governmental Accounting Standards Board (GASB) and the Government Finance Officers Association (GFOA).
- Fiscal Monitoring – The Finance Department provides the Board a monthly financial report that provides year-to-date budget to actual performance.
- Internal Controls – Financial systems will maintain internal controls to monitor revenues and expenditures on an ongoing basis.

OPERATING AND CAPITAL BUDGET PROCESS

This section describes the process for preparing, reviewing, and adopting the Operating and Capital Budget for the upcoming fiscal year. It also includes procedures for amending the budget after adoption. Connect Transit uses the accrual basis of accounting for budgeting, which is the same basis of accounting used in the audited financial statements.

Connect Transit's budget development process started in January 2023 with the Finance Department meeting with the department heads to discuss any expected significant increases or decreases to line item expenses in the Operating Budget. After those meetings, the Finance Department working with the General Manager drafted a budget. The General Manager, Finance Director, and department heads then met to discuss the budget for the upcoming year. Once the draft budget was agreed upon, the General Manager presented the draft budget to the Board of Trustees in March 2023. The Trustees reviewed the budget and provided feedback. The Board of Trustees then reviewed the budget during the March Board meeting held on March 28, 2023. The annual Budget was presented to the Board of Trustees on April 25, 2023. After discussion, Board members voted on the Budget. The FY 2024 Budget was passed with a unanimous vote. The budget calendar shown below is used to supplement this narrative information.

Connect Transit's Board of Trustees must approve any adjustment that will increase the expenses to the Operating Budget.

BUDGET CALENDAR

<u>Date Completed</u>	<u>Task</u>
January 2023	Finance Department meets with all departments to discuss and develop a preliminary budget.
February 2023	Administrative staff meets with departments to review and discuss requests. Administrative review is completed.
March 2023	Draft budget is distributed to the Board for purposes of budget review. Draft budget is discussed with the whole Board at the April Board meeting.
April 2023	Finance Department finalizes FY 2023 – 2024 budget based on suggestions from the Board's comments. Board approves the FY 2023 – 2024 annual budget.

Bloomington Normal Public Transit System FY 2023 - 2024 Operating Budget

	FY 2022 Actual	FY 2023 Budget	FY 2024 Budget	\$ Change from FY 2023	% Change from FY 2023
Operating Revenue					
Passenger Fares	547,378.84	525,000.00	542,500.00	17,500.00	3.33%
Contract Fares	752,687.81	769,678.00	784,048.00	14,370.00	0.31
Advertising Revenue	117,459.99	115,000.00	117,300.00	2,300.00	2.00%
Miscellaneous Revenue	22,099.29	2,500.00	9,500.00	7,000.00	280.00%
Total Operating Revenue	1,439,625.93	1,412,178.00	1,453,348.00	41,170.00	2.92%
Local Support	153,412.31	1,350,000.00	1,500,000.00	150,000.00	11.11%
State Support	9,304,548.00	11,546,014.00	12,315,385.00	769,371.00	6.66%
Federal Support	3,556,751.00	3,454,907.00	3,678,014.00	223,107.00	6.46%
Total Revenue and Support	14,454,337.24	17,763,099.00	18,946,747.00	1,183,648.00	6.66%
Operating Expenses					
Operations Wages	6,568,346.29	7,475,429.00	7,967,560.00	492,131.00	6.58%
Maintenance Wages	1,022,954.22	1,536,370.00	1,573,647.00	37,277.00	2.43%
Administration Wages	869,603.12	1,201,253.00	1,177,806.00	(23,447.00)	-1.95%
Employer Payroll Tax Expense	673,056.48	831,015.00	869,722.00	38,707.00	4.66%
Retirement Plan	406,148.93	510,654.00	535,951.00	25,297.00	4.95%
Group Insurance	1,524,805.76	2,006,474.00	2,237,512.00	231,038.00	11.51%
Uniform Expense	31,891.18	61,800.00	63,375.00	1,575.00	2.55%
Professional Services	359,583.62	304,000.00	223,500.00	(80,500.00)	-26.48%
Outside Repair - Labor	56,658.72	97,500.00	140,000.00	42,500.00	43.59%
Contract Maintenance Services	236,348.54	182,976.00	234,476.00	51,500.00	28.15%
Custodial Services	18,635.08	14,300.00	19,060.00	4,760.00	33.29%
Employment Expenses	121,556.19	22,600.00	45,000.00	22,400.00	99.12%
Fuel	849,026.73	1,588,418.00	1,616,224.00	27,806.00	1.75%
Lubricants	34,096.68	90,675.00	86,285.00	(4,390.00)	-4.84%
Tires	53,706.14	57,436.00	61,680.00	4,244.00	7.39%
Bus Repair Parts	419,658.47	421,751.00	479,362.00	57,611.00	13.66%
Other Materials and Supplies	58,321.41	82,000.00	83,000.00	1,000.00	1.22%
Shelters/Signs/Shop Tools	18,408.45	20,000.00	20,000.00	-	0.00%
Computer and Office Supplies	220,371.92	257,213.00	436,362.00	179,149.00	69.65%
Utilities	170,892.12	182,720.00	129,000.00	(53,720.00)	-29.40%
Corporate Insurance	478,872.62	427,480.00	527,725.00	100,245.00	23.45%
Dues/Subscriptions/Fees	42,793.55	44,500.00	44,650.00	150.00	0.34%
Printing/Marketing/Training	218,601.02	346,535.00	374,850.00	28,315.00	8.17%
Total Operating Expenses	14,454,337.24	17,763,099.00	18,946,747.00	1,183,648.00	6.66%

**Bloomington Normal Public Transit System
Seven Year Operating Budget**

	FY 2022 Actual	FY 2023 Budget	FY 2024 Budget	FY 2025 Budget	FY 2026 Budget	FY 2027 Budget	FY 2028 Budget
Operating Revenue							
Passenger Fares	547,378.84	525,000.00	525,000.00	525,000.00	525,000.00	525,000.00	525,000.00
Contract Fares	752,687.81	769,678.00	770,178.00	770,178.00	770,178.00	770,178.00	770,178.00
Advertising Revenue	117,459.99	115,000.00	117,300.00	119,600.00	121,900.00	126,500.00	128,800.00
Miscellaneous Revenue	22,099.29	2,500.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00
Total Operating Revenue	1,439,625.93	1,412,178.00	1,414,478.00	1,416,778.00	1,419,078.00	1,423,678.00	1,425,978.00
Operating Expenses							
Operations Wages	6,568,346.29	7,475,429.00	7,905,270.00	8,181,954.45	8,468,322.86	8,764,714.16	9,071,479.15
Maintenance Wages	1,022,954.22	1,536,370.00	1,573,647.00	1,628,724.65	1,685,730.01	1,744,730.56	1,805,796.13
Administration Wages	869,603.12	1,201,253.00	1,296,484.00	1,341,860.94	1,388,826.07	1,437,434.99	1,487,745.21
Employer Payroll Tax Expense	673,056.48	831,015.00	874,036.00	904,627.26	936,289.21	969,059.34	1,002,976.41
Retirement Plan	406,148.93	510,654.00	538,771.00	557,627.99	577,144.96	597,345.04	618,252.11
Group Insurance	1,524,805.76	2,006,474.00	2,240,140.00	2,318,544.90	2,399,693.97	2,483,683.26	2,570,612.17
Uniform Expense	31,891.18	61,800.00	62,625.00	64,816.88	67,085.47	69,433.46	71,863.63
Professional Services	359,583.62	304,000.00	184,000.00	190,440.00	197,105.40	204,004.09	211,144.23
Outside Repair - Labor	56,658.72	97,500.00	140,000.00	144,900.00	149,971.50	155,220.50	160,653.22
Contract Maintenance Services	236,348.54	182,976.00	269,476.00	278,907.66	288,669.43	298,772.86	309,229.91
Custodial Services	18,635.08	14,300.00	19,060.00	19,727.10	20,417.55	21,132.16	21,871.79
Employment Expenses	121,556.19	22,600.00	45,000.00	46,575.00	48,205.13	49,892.30	51,638.54
Fuel	849,026.73	1,588,418.00	1,596,436.00	1,652,311.26	1,710,142.15	1,769,997.13	1,831,947.03
Lubricants	34,096.68	90,675.00	83,782.00	86,714.37	89,749.37	92,890.60	96,141.77
Tires	53,706.14	57,436.00	60,191.00	62,297.69	64,478.10	66,734.84	69,070.56
Bus Repair Parts	419,658.47	421,751.00	469,838.00	486,282.33	503,302.21	520,917.79	539,149.91
Other Materials and Supplies	58,321.41	82,000.00	83,000.00	85,905.00	88,911.68	92,023.58	95,244.41
Shelters/Signs/Shop Tools	18,408.45	20,000.00	20,000.00	20,700.00	21,424.50	22,174.36	22,950.46
Computer and Office Supplies	220,371.92	257,213.00	409,367.00	423,694.85	438,524.16	453,872.51	469,758.05
Utilities	170,892.12	182,720.00	129,000.00	133,515.00	138,188.03	143,024.61	148,030.47
Corporate Insurance	478,872.62	427,480.00	527,725.00	546,195.38	565,312.21	585,098.14	605,576.58
Dues/Subscriptions/Fees	42,793.55	44,500.00	44,650.00	46,212.75	47,830.20	49,504.25	51,236.90
Printing/Marketing/Training	218,601.02	346,535.00	427,850.00	442,824.75	458,323.62	474,364.94	490,967.72
Total Operating Expenses	14,454,337.24	17,763,099.00	19,000,348.00	19,665,360.18	20,353,647.79	21,066,025.46	21,803,336.35
Operating Revenue	1,439,625.93	1,412,178.00	1,412,178.00	1,416,778.00	1,419,078.00	1,423,678.00	1,425,978.00
Local Revenue	1,183,333.28	1,350,000.00	1,500,000.00	1,500,000.00	1,500,000.00	1,500,000.00	1,500,000.00
State Support	9,304,548.00	11,546,014.00	12,350,226.20	12,782,484.12	13,229,871.06	13,692,916.55	14,172,168.63
Federal Support	3,556,751.00	3,454,907.00	3,737,943.80	3,966,098.06	4,204,698.73	4,449,430.91	4,705,189.72
Total Revenue and Support	15,484,258.21	17,763,099.00	19,000,348.00	19,665,360.18	20,353,647.79	21,066,025.46	21,803,336.35

Assumptions:

Assuming no increase in Revenues (except Houck Advertising) and a 3.5% in Expenses per year.

CAPITAL BUDGET SUMMARY

The FY 2024 Capital Budget is funded through multiple sources, including Federal Transit Administration (FTA) 5307 Formula Funds, FTA 5339 Bus and Bus Facilities Funds, State of Illinois Debt Service Funds, State of Illinois capital grants, and funding from the City of Bloomington and the Town of Normal. Unlike most large transit agencies, Connect Transit allocates a significant portion of FTA 5307 capital funds toward operations, which is allowed by the FTA. Connect Transit enters into short-term debt from one to three months in duration in order to use debt service funds through the State of Illinois Downstate Operating Assistance Program (DOAP). A capital expenditure is the use of funds in order to purchase fixed assets with a useful life of at least one year.

Presented below is a summary of budgeted major capital funds and expenditures for FY 2023 and FY 2024.

Capital Funding	<u>FY 2023 Budget</u>	<u>FY 2024 Budget</u>
Beginning Capital Funds	\$ 9,825,882	\$ 11,122,917
FTA Section 5307	464,293	2,408,244
FTA Section 5339 - Bus & Bus Facilities	5,382,556	8,402,836
FTA CARES Funding	198,333	-
State of Illinois - Capital	3,868,393	16,901,567
State of Illinois - DOAP - Debt Service	714,561	3,699,297
City of Bloomington	726,265	-
Town of Normal	<u>593,600</u>	<u>-</u>
Total Capital Funding	21,773,883	42,534,861
Capital Expenditures		
Major Capital Projects	10,296,843	28,363,696
Facilities, Maintenance and Support Equipment	309,509	3,487,500
Passenger Amenities	16,166	1,239,000
Other Capital Expenditures	<u>28,448</u>	<u>211,550</u>
Total Capital Expenditures	<u>10,650,966</u>	<u>33,301,746</u>
Ending Capital Funds	<u>\$11,122,917</u>	<u>\$ 9,233,115</u>

CAPITAL BUDGET PROCESS

As part of Connect Transit's budgeting process, the Finance and Procurement Departments meet annually with the General Manager and department managers responsible for specific capital projects for which we have received grants or are in our five-year capital plan (Transportation Improvement Plan). During this meeting, managers are asked about any expected increases/decreases they foresee related to their project line items, as well as future capital needs. After the meeting, the Finance and Procurement Departments develop a Capital Budget based on the input of department managers and present the Capital Budget to the Board of Directors. The Board of Directors approves the Capital Budget during the budget Board meeting in April or May. Planned capital projects are issued for procurement throughout the year and considered and approved or denied by the Board of Directors. The budget calendar shown on page 20 is used to supplement this narrative information.

SIGNIFICANT CAPITAL BUDGETARY ITEMS AND TRENDS

Revenues

During the budget development stage, significant assumptions - influenced by current legislative funding opportunities and incentives, historical trends, and long-term agency goals and objectives - are considered to ensure accuracy of the Capital Budget document. Although Connect Transit tries to make the document as accurate as possible, estimated numbers may differ significantly from actual expenditures due to timing of capital project expenditures or unforeseen circumstances.

A key assumption is that Section 5307 grant funds will stay flat year-over-year starting in FY 2024. The Infrastructure Investment and Jobs Act (IIJA) went into effect on November 15, 2021 and is set to end in FY 2026.

The State of Illinois created a Capital Grant Program for transit agencies in FY 2021. This program presented agencies with the opportunity to apply for grants each year from FY 2021 – FY 2023. Connect Transit was awarded \$9,916,000 from this program in FY 2021, \$8,370,000.00 in FY 2022, and \$9,600,000.00 in FY 2023.

Under the State of Illinois Downstate Operating Assistance Program (DOAP), Connect Transit can purchase capital items through DOAP funding. To do this, Connect Transit needs to establish debt service funding through a bank. Connect Transit is assuming the DOAP will continue to allow the purchase of capital items through debt service. This short-term funding is the only debt that Connect Transit uses.

Expenditures

Revenue vehicles are the most valuable capital assets Connect Transit owns and are the focus of the development stage of creating the Capital Budget. Connect Transit sent out a Request for Proposal in FY 2020 for heavy duty electric buses. Connect Transit received four of these buses in FY 2022, and eight more of these buses in FY 2023. Connect Transit plans to receive five of these buses in FY 2024 and five of more of these buses in FY 2025.

Adding facility infrastructure will be another major focus for Connect Transit in the next few years. The preliminary planning for a downtown Bloomington transit center was performed in FY 2021. Connect Transit plans to complete the building of a new downtown Bloomington transit center between FY 2024 and FY 2026. Connect Transit will also be adding a small vehicle storage facility on the site of our existing administration, maintenance, and vehicle storage facility in FY 2025.

On the next page is Connect Transit's FY 2024 Capital Budget with an extended five-year estimate.

2023 - 2024 Capital Budget

	FY 2022 Actual	FY 2023 Budget	FY 2024 Budget	FY 2025 Estimated	FY 2026 Estimated	FY 2027 Estimated	FY 2028 Estimated
Capital Funding							
Beginning Capital Funds Balance	\$ 7,963,097	\$ 9,825,882	\$ 11,122,917	\$ 9,233,115	\$ 8,865,458	\$ 8,947,585	\$ 10,402,756
FTA Section 5307 Apportionment	421,722	464,293	2,408,244	2,247,250	1,716,250	245,000	210,000
FTA Section 5339 Bus & Bus Facilities	1,839,156	5,382,556	8,402,836	11,668,950	-	-	-
FTA CARES Funding	-	198,333	-	-	-	-	-
State of Illinois - Capital Program	30,749	3,868,393	16,901,567	8,447,050	-	-	-
State of Illinois - CVP Program	-	-	-	450,000	-	-	-
State of Illinois - DOAP - Debt Service	3,044,878	714,561	3,699,297	3,004,250	1,355,000	455,000	390,000
City of Bloomington	1,402,865	726,265	-	790,610	830,140	871,647	915,230
Town of Normal	896,913	593,600	-	529,273	555,737	583,524	612,700
Total Budgeted Sources of Funds for Capital Items	15,599,380	21,773,883	42,534,861	36,370,498	13,322,585	11,102,756	12,530,686
Capital Expenditures							
Major Capital Projects							
Revenue Vehicle Purchase - Mobility Buses	-	-	344,310	-	-	-	-
Revenue Vehicle Purchase - Zero Emission Mobility Bu:	-	-	-	600,000	600,000	600,000	600,000
Solar Array and Electric Charging Stations	1,207,800	904,366	382,945	250,000	75,000	-	-
Revenue Vehicle Purchase - 35'/40' Electric Buses	4,094,933	9,022,665	6,367,500	6,367,540	-	-	-
Revenue Vehicle Mid-Life Overhaul	-	369,812	1,109,436	1,250,000	-	-	-
Revenue Vehicle Micro Transit	-	-	2,159,505	1,500,000	-	-	-
Micro Transit/Paratransit Storage Facility	-	-	-	14,360,000	-	-	-
Downtown Transfer Center	95,862	-	18,000,000	-	-	-	-
Overhead Charging - Downtown Transit Center	-	-	-	-	3,000,000	-	-
Facilities, Maintenance and Support Equipment							
Bus Protective Shields	-	175,259	-	-	-	-	-
Radio System Replacement	-	-	1,200,000	-	-	-	-
Maintenance Rehab - In-Ground Lift	-	-	450,000	-	-	-	-
Wylie Dr. Campus Safety and Security Improvements	-	-	1,000,000	-	-	-	-
Facility LED Lighting Upgrades	-	68,613	-	-	-	-	-
Administration Facility Repairs/Improvements	-	-	87,500	-	-	-	-
Aministration Roof Replacement	-	-	-	500,000	-	-	-
Fare Collection and GPS	49,944	-	750,000	-	-	-	-
Computer Equipment	-	65,637	-	-	-	-	-
Dispatch Upgrade	-	-	-	-	200,000	-	-
VR Driver Training Equipment	-	-	-	-	200,000	-	-
Floor Scrubber	-	-	-	75,000	-	-	-
DVR Replacements	-	-	-	-	150,000	-	-
Automatic Wheel Chair Securement Retrofit	-	-	-	-	-	100,000	-
Passenger Amenities							
Bus Shelters, Pads, Seating, and Lighting	324,959	16,166	825,000	742,500	150,000	-	-
Pedestrian and Cyclist Warning System	-	-	264,000	-	-	-	-
Uptown Passenger Amenity Upgrades	-	-	150,000	-	-	-	-
Other Capital Expenditures							
Long Range Transportation Plan	-	-	-	200,000	-	-	-
ITS Software	-	-	-	1,500,000	-	-	-
Green Energy Consultants	-	-	-	100,000	-	-	-
Messaging Consultant	-	28,448	121,550	-	-	-	-
Service Vehicles	-	-	90,000	60,000	-	-	-
Total Budgeted Capital Expenditures	5,773,498	10,650,966	33,301,746	27,505,040	4,375,000	700,000	600,000
Ending Funds Balance	\$ 9,825,882	\$ 11,122,917	\$ 9,233,115	\$ 8,865,458	\$ 8,947,585	\$ 10,402,756	\$ 11,930,686

MAJOR CAPITAL PROJECTS

Generally, capital projects are funded through the annual 5307 formula allocation which requires a twenty percent local match but can be financed through a variety of other capital sources (revenue vehicles purchases are also financed through Section 5339 discretionary grant funds). The local tax revenue by the City of Bloomington and Town of Normal is then used as the local match. The State of Illinois has also had Capital Grant Programs in recent years. Also, the State of Illinois Downstate Operating Program allows capital purchases that have been purchased through debt service. Described below, Connect Transit's capital projects are considered significant nonrecurring capital expenditures and must be financed with capital grant funds, and must be greater than \$10,000 in total cost. These projects are expected to be paid for and completed in FY 2024.

Description of Capital Projects:

Downtown Transit Center

Connect Transit is planning on building a new transit center in downtown Bloomington.

Effect on Operating Budget

It is expected that operating expenses will increase with the addition of new transit center.

Fixed Route Electric Buses

Connect Transit is planning to receive five electric fixed route buses in FY 2024, and five electric fixed route buses in FY 2025.

Effect on Operating Budget

It is expected fuel expenses will decrease in greater proportion to the increase in electricity costs, for a net reduction in operating costs with the addition of electric buses.

Fixed Route Diesel Bus Mid-Life Overhaul

Connect Transit is planning to perform a mid-life overhaul on nine 40' diesel buses.

Effect on the Operating Budget

This project will have little to no effect of the Operating Budget.

Bus Shelters, Concrete Pads, Seating, and Lighting

Connect Transit is planning on improving 80 bus stops in FY 2024. The infrastructure of Connect Transit's service area is a desperate need of bus shelters, concrete pads, seating, and lighting for our customers and their safety.

Effect on the Operating Budget

This project will have little to no effect of the Operating Budget.

POSITION SUMMARY SCHEDULE

Figure 1.6 shows a comparison of the actual number of personnel in FY 2022 and projected number of personnel for FY 2023 and FY 2024.

Figure 1.6

Personnel	FY 2022	FY 2023	FY 2024
Operations Supervision	7	8	8
Dispatchers/Customer Service Reps	11	11	11
Operators	94	105	110
Maintenance Supervision	4	4	4
Maintenance	12	19	20
Administrative	13	16	17
Total	<u>141</u>	<u>163</u>	<u>163</u>

In FY 2023, Connect Transit anticipates hiring eleven additional operators to drive fixed route and mobility buses, and microtransit vehicles.

In FY 2024, Connect Transit anticipates hiring five additional operators to drive fixed route and mobility buses and microtransit vehicles. We also anticipate hiring one additional maintenance employee and one additional administrative employee.

Department Descriptions

EXECUTIVE DEPARTMENT

The executive department is made up of the General Manager and Executive Assistant. The General Manager is charged with executing Board policy decisions and providing direction to Connect Transit staff as they work to fulfill the mission and goals of the organization.

MAINTENANCE DEPARTMENT

This department consists of the Maintenance Manager, Maintenance Supervisors, Maintenance Foreman, Mechanics, Service Technicians, and Custodians. This department is responsible for all maintenance of Connect Transit vehicles, facility grounds and facility maintenance that consists of administration and maintenance buildings, and Connect Transit shelters around the service area.

FINANCE DEPARTMENT

The Finance Department is made up of the Finance Director and the Accountant. This department is responsible for preparing the annual budget, coordinating the year-end audit, analyzing, reconciling, and maintaining financial records, and treasury management.

SAFETY AND TRAINING DEPARTMENT

The Safety and Training Department is made up of the Safety and Training Director and the Safety and Training Coordinator. The training side of this department is responsible for new employee general intake training, new Bus Operator training, maintenance training, commercial licensing of employees, and continuing education of employees. The safety side of this department is responsible for accident prevention, safety initiatives, vehicle safety, license and background checks, facilities safety, employee safety, OSHA compliance, substance abuse program, and the Safety Committee.

PROCUREMENT DEPARTMENT

The Procurement Department is made up of the Procurement Manager and the Executive Assistant for the Procurement Department. This department is responsible for purchasing materials and services, continuously evaluating the price of materials and services purchased, ensuring timely delivery of materials, and ensuring that Connect Transit is complying with all procurement policies.

HUMAN RESOURCES DEPARTMENT

The Human Resources Department is made up of the Human Resources Manager and the HR/Payroll Administrator. This department is responsible for hiring of personnel; labor relations and discipline management; maintaining employee benefits; managing health, dental and vision insurance plans; managing FMLA and other leave programs; and processing payroll.

INFORMATION TECHNOLOGY DEPARTMENT

The Information Technology Department is made up of the Information Technology Manager and the Data Management Specialist. This department is responsible for managing the information technology and computer systems, ensuring technology is accessible and equipped with current hardware and software, and monitoring and maintaining technology to ensure maximum access.

MARKETING DEPARTMENT

The Marketing Department is made up of the Marketing Manager and the Marketing Assistant. This department is responsible for directing and managing the outreach, advertising, marketing, promotional activities, and community relations of Connect Transit.

OPERATIONS DEPARTMENT

This department consists of the Operations Director, Operations Supervisors, Dispatchers, Customer Service Representatives, Bus Operators, Medicaid Billing Specialist, and the Scheduler. This department is responsible for providing safe, dependable, and on-time service to our customers.

PLANNING DEPARTMENT

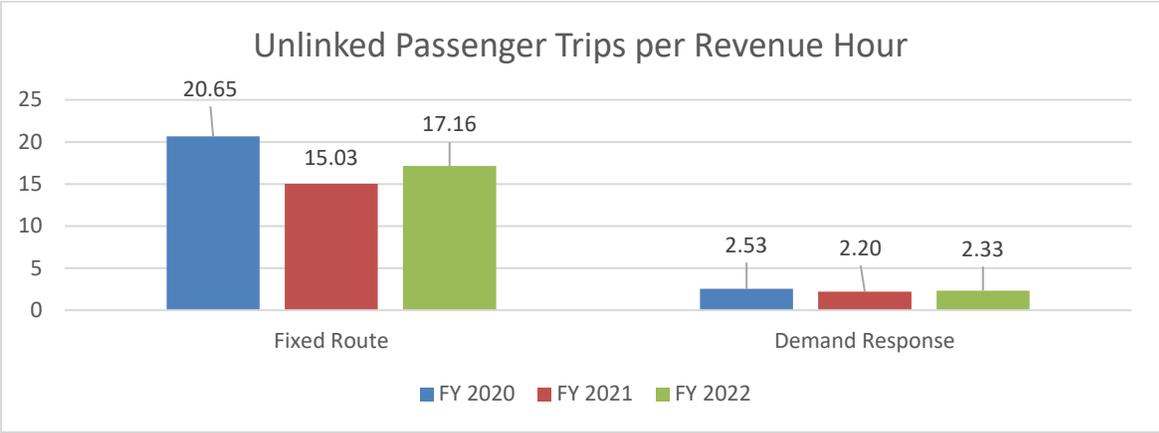
This department consists of the Transportation Planner. This department is responsible for developing transportation strategies that encompass the needs of transit users.

KEY PERFORMANCE INDICATORS

Key Performance Indicators provide a means of evaluating how effectively and efficiently Connect Transit performs over time. The charts that follow show trends for each performance indicator based on data for the last three fiscal years.

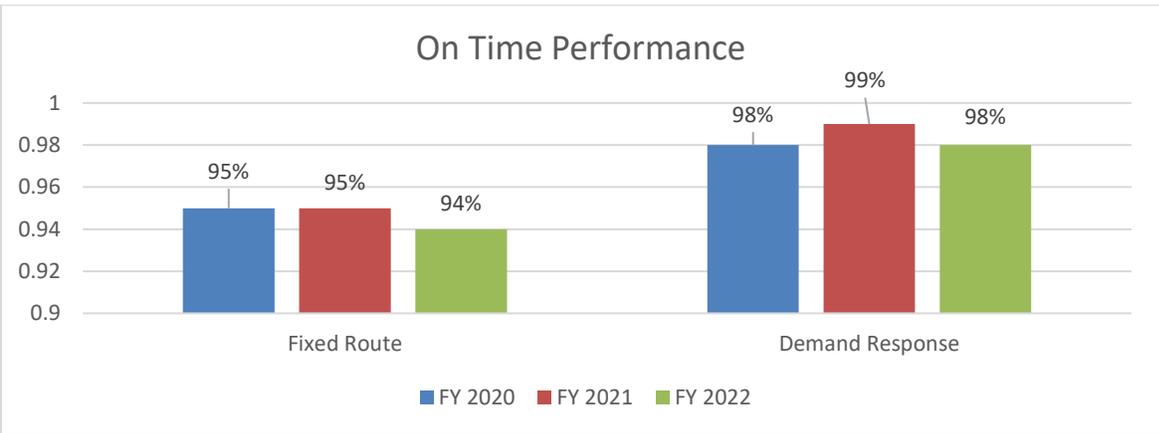
Ridership, Customer Satisfaction and Safety Performance Indicators

Unlinked Passenger Trips per Revenue Hour



This performance indicator is a ratio of the number of unlinked passenger trips divided by the number of revenue hours operated. The decrease reflects the decrease in ridership from FY 2020 to FY 2021 due to the COVID-19 pandemic. The increase reflects the increase in ridership from FY 2021 to FY 2022 due to the COVID-19 pandemic.

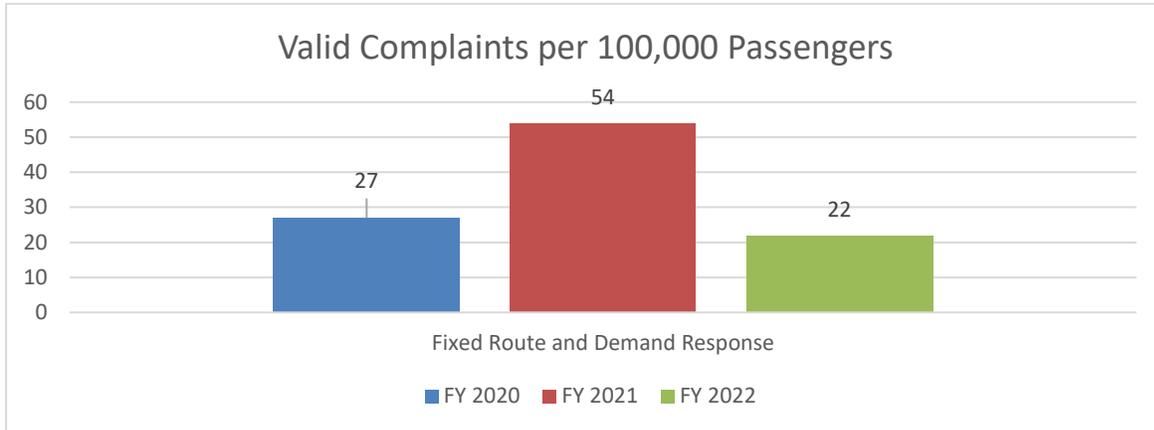
On Time Performance



On time performance is determined by the total number of trips that occur where the vehicle leaves its designated time point within five minutes of its scheduled departure time divided by the total number of trips. This gives us a percentage of the trips that we consider to be on time. This metric has stayed

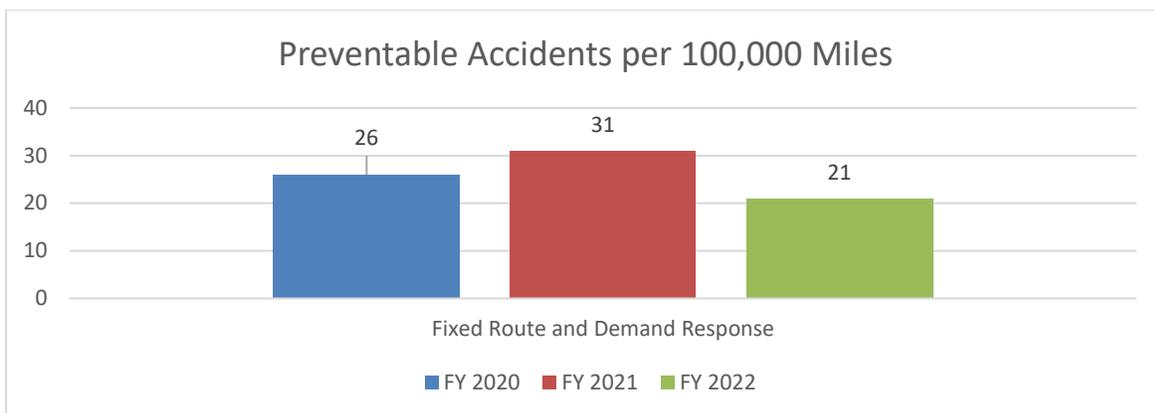
flat over the last few years as we have increased the amount of dwell time built into our routes, which allows us to remain on schedule.

Valid Complaints per 100,000 Passengers



Complaints are recorded in a database at the time that they are reported. They are later evaluated by an Operations Supervisor to determine if there is evidence to support the complaint. Evidence can include but is not limited to confirmation from other witnesses, video/audio clips supporting the claim, and physical evidence such as property damage. If the complaint is deemed valid by the Operations Supervisor, correctional steps are made to address the underlying issue. This process has been refined over the course of several years and additional steps have been implemented to ensure that all complaints are thoroughly evaluated. In addition, some COVID-19 mitigation steps have led to more potential points of conflict between passengers and drivers. This led to an overall increase in complaints and therefore valid complaints in FY 2021, but those complaints decreased in FY 2022.

Preventable Accidents per 100,000 Miles



A preventable accident is an unplanned event that may or may not have resulted in personal injury or property damage, but in which the employee failed to exercise reasonable precautions to prevent the event. This consists of events such as collision with another vehicle, a collision with a fixed object, closing a vehicle door on a customer, etc.

Cost Performance Indicators

Cost performance indicators are influenced by factors such as changes in the number of revenue hours Connect Transit operates, changes in the cost of operating the services provided, and changes in fare revenue.

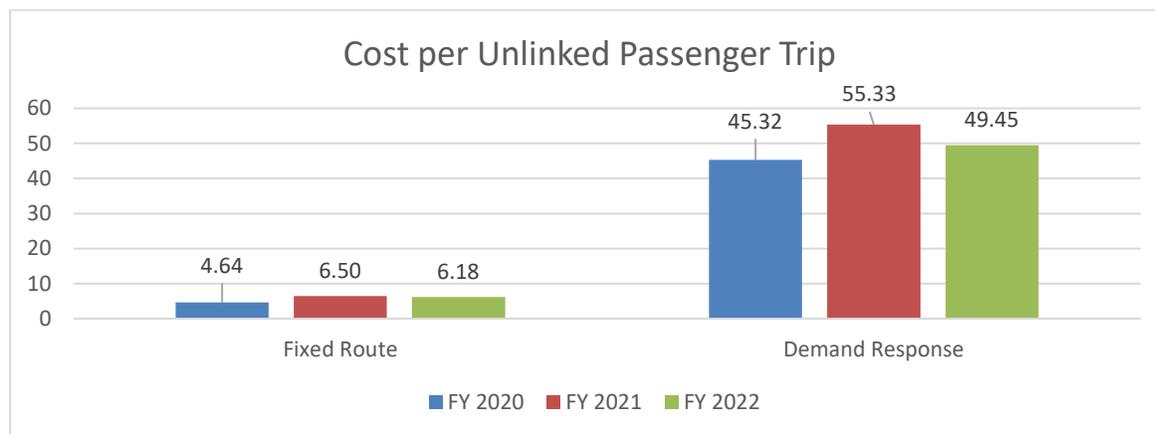
Revenue Hours: Revenue hours decreased 3.0% from FY 2020 to FY 2021; but increased 0.7% from FY 2021 to FY 2022 due to the restoration of service after the COVID-19 pandemic.

Operating Expenses: In FY 2020 operating expenses decreased by 1.8 % compared to FY 2021 due to the COVID-10 pandemic, but operating expenses increased by 9.3% from FY 2021 to FY 2022.

Fare Revenue: Changes in the amount of fare revenue depend on multiple factors which may occur individually or at the same time: a change in the fare charged, a change in the number of riders, or a temporary change in agency fare collection policy due to a pandemic.

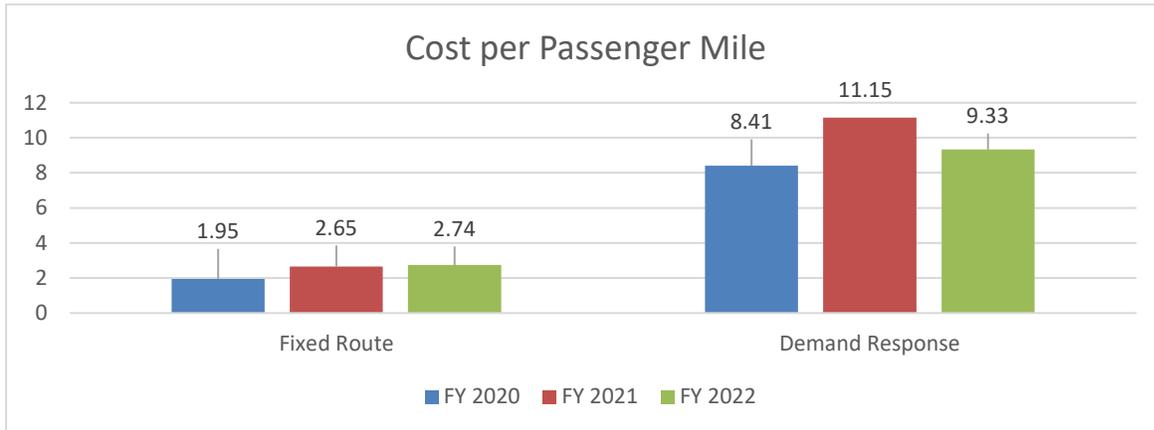
The charts below show how these factors affected Connect Transits performance.

Cost per Unlinked Passenger Trip



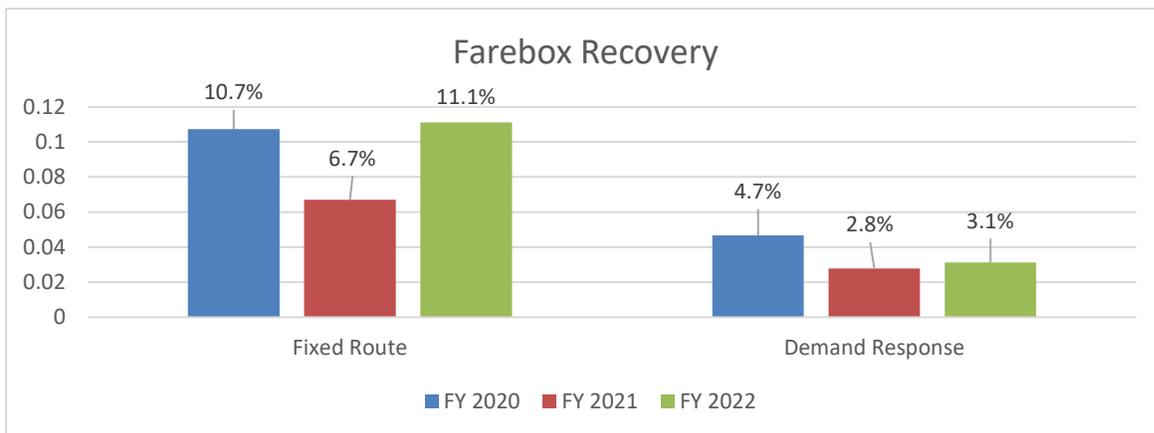
Cost per unlinked passenger trip measures the operating cost for delivery of one passenger trip. It is an indicator of cost efficiency. Connect Transit's fixed route cost per ride decreased 4.9% in FY 2022 compared to FY 2021. Connect Transit's demand response cost per ride decreased 10.6% in FY 2022 compared to FY 2021.

Cost per Passenger Mile



Cost per passenger mile measures the cost of operations to carry one passenger for one mile. Connect Transit’s fixed route cost per passenger mile increased 3.40% in FY 2022 over FY 2021. Connect Transit’s demand response cost per passenger mile decreased 16.3% in FY 2022 compared to FY 2021.

Farebox Recovery



Farebox recovery measures the proportion of operating costs paid for by passenger fare revenue. Connect Transit’s passenger fare revenue increased in FY 2022 compared to FY 2021 for both fixed route and demand response. This increase in passenger fare revenue in FY 2022 was due to suspending fares various times during FY 2020 and FY 2021 due to the COVID-19 pandemic.

SUPPLEMENTAL INFORMATION

CONNECT TRANSIT AT A GLANCE

In 1972, the City of Bloomington and the Town of Normal, by intergovernmental agreement, established an intergovernmental agency known as the Bloomington Normal Public Transit System after the privately-owned National City bus company left the Bloomington-Normal market. The transit system operates as an independent agency governed by a Board appointed by both the City of Bloomington and Town of Normal. In 2012, the transit system rebranded as Connect Transit.

SERVICE AREA

The operating area of Connect Transit is the combined corporate limits of the City of Bloomington and the Town of Normal.

Demographics

The combined population of the City of Bloomington and the Town of Normal is 131,583. The median household income is \$68,037.

DESCRIPTION OF SERVICES AND FLEET

Connect Transit operates up to 26 buses in maximum service on 15 fixed routes, including campus and late-night service. Connect Transit, under the name of Connect Mobility, provides demand-response service to all paratransit eligible riders within the American with Disabilities Act guidelines. Connect Flex is Connect Transit's new ride sharing service that will begin service in July 2023.

Connect Transit maintains a fleet of 42 buses for its 15 fixed routes. Included in this fleet are eight 2022 Proterra 40' buses, four 2021 Proterra 35' buses, ten 2018 New Flyer 40' buses, seven 2016 New Flyer 40' buses, five 2015 New Flyer 40' buses, four 2011 Gillig 35' buses, one 2010 Gillig 35' bus, and three 2003 New Flyer 40' buses.

Connect Mobility's paratransit fleet has 19 buses and includes six 2020 Ford E-450 vans, nine 2018 Ford E-450 vans, and four 2017 Ford E-450 vans.

The Connect Flex on-demand service will have a fleet of five 2022 BraunAbility ProMaster 3500 low floor full-size ADA vans.

BOARD OF DIRECTORS

Connect Transit is comprised of seven members appointed by the City of Bloomington and the Town of Normal. The City Managers for the City and Town are Ex officio members.

Appointed

Four Year Term

<u>Name</u>	<u>Position</u>	<u>Appointed By</u>	<u>Expiration Date</u>
Ryan Whitehouse	Chairman	Bloomington	June 30, 2024
Julie Hile	Vice Chair	Normal	June 30, 2026
Tim McCue	Secretary	Normal	June 30, 2024
Judy Buchanan	Trustee	Bloomington	June 30, 2025
Linda Foster	Trustee	Bloomington	June 30, 2027
Mandava Rao	Trustee	Normal	June 30, 2025
Barbara Singer	Trustee	Bloomington	June 30, 2026
Tim Gleason	Ex officio	Bloomington	No expiration
Pam Reece	Ex officio	Normal	No expiration

Budget Glossary

ACTUAL – The actual figures in the budget document are year-end actual totals for the fiscal year preceding the budget year.

BUDGET – A financial plan for a specified period of time (fiscal year) that matches all planned revenues and expenditures.

CAPITAL INVESTMENT - A nonrecurring project, including but not limited to construction of or major alterations; remodeling or repair of physical facilities, buildings, structures, fixed equipment and landscaping.

CAPITAL INVESTMENT PROGRAM - A plan for capital expenditures to provide long lasting physical improvements to be incurred over a fixed period of several future years.

CONNECT TRANSIT – Bloomington Normal Public Transit System

DEPRECIATION - A method of allocating the cost of a tangible asset over its useful life.

DOAP – State of Illinois’ Downstate Operating Assistance Program

ESTIMATE - Revenue and expenditure estimates for the current fiscal year, which are developed as part of the budget preparation process.

EXPENDITURE - This term refers to the outflow of funds paid or to be paid for an asset obtained or goods and services obtained, regardless of when the expense is actually paid.

EXPENSES - Charges incurred, whether paid immediately or unpaid, for operation, maintenance, and other charges.

FISCAL YEAR - The time period designated by Connect Transit signifying the beginning and ending period for recording financial transactions. Connect Transit has a fiscal year of July 1 through June 30.

FIXED ASSETS - Assets of long term character, which are intended to continue to be held or used, such as land, buildings, machinery, furniture and other equipment.

FTA - Federal Transit Administration

FUND BALANCE - The excess of assets over liabilities and is, therefore, also known as surplus funds.

GAAP – Generally Accepted Accounting Principles

GASB – Government Accounting Standards Board

GFOA - Government Finance Officers Association

IDOT - Illinois Department of Transportation.

REVENUE - Funds that the government receives as income.